



Dear Valued Westgate Owner,

As we approach our 30th year of providing quality family vacations I am pleased to report to you that our company continues to perform well in spite of the current economic challenges facing our country. We continue to streamline our operations to ensure that we are prepared for the future. In particular, we have offset the majority of the annual inflationary cost increases by achieving a 4% reduction in our operating costs. We have also implemented new cost saving and "green" initiatives, such as recycling of paper products, wood pallets, and aluminum. At the same time, we have worked diligently to increase the quality of our resorts. Across the company we have renovated over 800 villas and we are in the process of upgrading all old style TVs with flat screen HD TVs.

This year we are pleased to announce the opening of the biggest and brightest light on the Las Vegas strip – **PH Towers by Westgate**. This exciting 1200 unit property is located in the center of the Vegas strip and includes studio, one, two, three and four bedroom luxury units. The resort lobby is connected to the Miracle Mile Shops and the Planet Hollywood Hotel and Casino, providing our Owners direct access to the best shopping, dining, gaming casinos, and entertainment on the Las Vegas strip. If you just want to relax you will enjoy our oversized pool complete with a pool bar and sandy beach connected to the resort lobby.

At Westgate's Flagship property, **Westgate Vacation Villas**, we unveiled the all-new Town Hall, the central hub of the largest timeshare resort in the world. The facility can support the check-in for over 6,000 villas. In addition, the new facility includes a family movie theater, attraction ticket sales area, two retail outlets, a deli and coffee shop, business center and a fully-equipped kitchen and banquet area for group events. The Swan Lake Marina Activities Center is now open and is the central point for all your resort activities.

Westgate Lakes is the sister property to Westgate Vacation Villas and is now the second largest timeshare resort in the world with 1992 units. We also opened three new buildings, and renovated over 300 units.

Completion of the third phase at **Westgate Park City Resort & Spa** brings the number of units to 488, making this the largest resort in Park City. We also added new indoor and outdoor pools with spas.

In Myrtle Beach, SC, **Westgate Myrtle Beach Oceanfront Resort** opened July 4th weekend. This 17 story tower includes a new fitness center, pool and spa, and is directly located on the beach.

At **Westgate Smoky Mountain Resort & Spa**, we opened the new Lodge building which includes a new check-in center, grocery store, the **Westgate Smokehouse Grill** (award winning barbeque) restaurant, the **Mason Jar** sports bar and grill, and **Serenity Spa by Westgate**, a destination health spa that includes a world-class fitness center. We also opened two new lodge buildings, bringing the resort to 774 total units.

At **Westgate Branson Woods Resort**, we added a new lodge building to bring the number of units to 387. We opened a pizza restaurant and enclosed the activities pavilion to support year-round activities.

We are excited to see that our Owner occupancy is at an all time high. We have heard from many of you about the tremendous value you get from the activities, amenities and Owner benefits at our Resorts. We will continue to make our number one goal to "exceed your expectations." Most important of all, our independently measured customer service scores have set new records, demonstrating that we are rewarding our Owner's loyalty with the best service we can provide.

On behalf of our team members we would like to express our THANKS for being a part of the family and look forward to seeing you in the New Year.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Siegel'.

David Siegel
Chairman of the Board, President and CEO
Westgate Resorts

WESTGATE RESORTS 2009 UPDATES

WESTGATE VACATION VILLAS & TOWN CENTER

Upgrades in Villas: Buildings X, Y, Z complete renovation tile, carpet, FFE; GG renovation of carpet, tile, & paint; Carpet in buildings XXX and ZZZ; 5100, 5200 carpet replaced.

Resort Improvements: Rehab pools 6, 7, 8, & 13; Opened our 80,000 square foot Town Center sales and registration bldg; Building 5000 asphalt overlay applied to front entrance area; 5100, 5200, 5300 asphalt seal applied; Street sweeper replaced; Tennis courts resurfaced SSS, & L.

WESTGATE TOWERS RESORT

Resort Improvements: The building exterior of Westgate Towers and Towers North has been painted; The entrances of the resort have new tile to accent the property; Elevator landings have been tiled in order to remove the wear and tear usage of the carpet. This creates a fresh clean look to the elevator landing. New pool furniture has been purchased at pool #2 and pool #3.

WESTGATE LAKES RESORT & SPA

Upgrades in Villas: New 100 building opened in March with a total of 120 units; Renovation of the 1200 building with new tile; Renovation of the 1400, 1600, 1800, building with new carpet and tile; 300, 600, 700, 1000, 1100 buildings completely painted with new color scheme; Pavilion building painted with new color scheme; Dining room chairs replaced in the 1400 building; Chairs and ottomans replaced in the 1400 building; Coffee tables replaced in the 1400 building.

Service Improvements: The Guest Services department service levels were evaluated to improve over all service standards to improve the check-in experience. Increase staffing to include management and made a change in uniforms. Improvements made to the transportation service for improved pickup time and overall service for owners on the resort. Two new buses were added.

WESTGATE BLUE TREE RESORT

Upgrades in Villas: Buildings 16 & 17 carpet and tile replaced; Buildings 1, 8, 16, & 17 replaced pictures & décor mirrors; Replacing cabinets and countertops in buildings 16 & 17; Replacing carpet and tile in building 8.

Resort Improvements: Re-surfaced the pools (1, 2, 3, & 4); New playground equipment; Pressured washed the roofs; Renovated pools 1 & 3 bathrooms (painted, new light fixtures, partitions, and granite counter tops); New signs for resort amenities have been installed; Added a Business Center; New exercise equipment (Elliptical and Multi Station Weight Machine); The drapes at the sliding glass doors were removed and replaced with vertical blinds; Renovated the lobby area (furniture, tile, and paint);

WESTGATE PALACE RESORT

Resort Improvements: New circle drive entrance landscaping; New pool furniture; Canopy entrance added (pool area) to ICON arcade entrance; New entrance doors: Tower A, Clubhouse, side/ rear pool area doors and rooftop mechanical room; ICON lighting for logos and exterior of building; Additional security cameras approved for the parking area.

Service Improvements: Currently a "Good Neighbor Resort" with Walt Disney World; Internet kiosk currently in lobby and wireless capability in room; Added security personnel for visibility and safety in monitoring our property 24 hours/7 days a week. In addition we installed a security Guard 1 system to assist in the accountability and tracking of our safety patrol patterns. Additional expertise in our engineering area for HVAC, carpentry and projects; Increased awareness and focus on "Going Green."

WESTGATE LEISURE RESORT

Upgrades in Villas: Replaced the occasional chairs in living room; Vinyl cover-base was installed under kitchen and bath vanities

Resort Improvements: Activities amenities such as the dart board, horseshoe and shuffleboard were renovated; Pools 1 and 2 decks have been painted; All buildings railings, doors and hallway floors were painted.

WESTGATE RIVER RANCH

Resort Improvements: Marina fencing; Paving parking lots; Golf course bridge; Skeet range bathroom remodeling; Property tree trimming; Replace sliding door pool building; Install pool heater w/solar panels; Parking re-striping; New ceiling and floor in Welcome Center; Wireless Internet; Acquired new golf carts for Saddle Club; Installed safety fence around Rodeo Arena.

WESTGATE SOUTH BEACH RESORT

Upgrades in Villas: New living room chairs; New drapes; New coffee tables; Night stands ordered;

Resort Improvements: Guest laundry refurbishment; Pool bathroom beautification; Beach concession with chairs and umbrellas are now available; Installation of a CCTV system; Unparalleled year in occupancy - 92% YTD.

WESTGATE MYRTLE BEACH OCEANFRONT RESORT

Resort Improvements: Improved the landscaping and added Dog Park; Installed new flooring in the guest elevators; Installed new condo balcony tables and chairs; Construction of North Tower continued with the building topping out in July; The indoor and outdoor pool decks resurfaced; Purchased high quality beach furniture for owners.

Service Improvements: Won the GOLD STAR of EXCELLENCE IN HOUSEKEEPING from the MYRTLE BEACH HOSPITALITY ASSOCIATION; Business Center with high speed internet opened in the lobby with two computers; Added special check in/checkout for owners; Added pool attendants and food and beverage servers on the pool deck.

WESTGATE HISTORIC WILLIAMSBURG

Created the new Activities Center; Upgraded the park area and fountain; Begun replacement of RCA TV's in building #1 with flat screens; Installed additional step and ledge lighting at the pool deck; Painted pool deck and spa deck; Replacement of carriage lighting along front brick wall; Remove washer/dryer units from B units in building #1 and create much needed closets.

WESTGATE SMOKY MOUNTAIN RESORT

Opened the Lodge, which includes the new owners check-in area, spa, grocery store, and restaurant; Full service restaurant and bar featuring award winning BBQ; Serenity Spa (massages, manicures, pedicures, facials and wraps); 24 hour fitness center.

WESTGATE BRANSON WOODS

Resort Improvements: Opened Westgate Pizza Company in July; Enclosure of large outdoor pavilion; Installed thin pavers and coping to indoor pool deck; Remodeled indoor pool-paint, exhaust, shutters, doors, window panes, dehumidifier to reduce humidity; Painted outdoor pool deck and stained patio around the pool; Re-staining all buildings on property; Replaced wallpaper in condo restrooms by texturing and painting to eliminate peeling and tearing.

BRANSON GARDEN INN

Upgrades in Villa: Added new mattresses, refrigerators, microwaves, and new a/c's to all Units.

Resort Improvements: Added pavers to outdoor pool; Installed new pool furniture with umbrellas.

WESTGATE BRANSON LAKES AT EMERALD POINTE

Upgrades in Villas: Replaced carpet in buildings 3 and 4.

Resort Improvements: Remodeled Front Desk and Concierge areas with new granite counter tops; Added fountain in front of clubhouse; Remodeling 3rd floor of clubhouse for Activities department.

WESTGATE TUNICA RESORT

Upgrades in Villas: Replaced 27" TVs with 32" LCD televisions.

Resort Improvements: Added picnic tables horseshoes, and croquet for guest use.

WESTGATE PAINTED MOUNTAIN GOLF RESORT

Repainted all the buildings; Upgraded sitting area around the pond with tables and chairs and a BBQ.

WESTGATE FLAMINGO BAY

Resort Improvements: Completed the exterior painting of all buildings; Purchased new outdoor tables, chairs and umbrellas, as well as new pool furniture including chaise lounges, umbrellas and small tables; Pool deck resurfaced; All walkways deep cleaned and a slip resistant coating applied; The Duck Pond was cleaned and repainted, new underwater lighting installed and fountain pumps repaired; Developed and installed a new children's playground; Applied a new "Sport Court" surface to our shuffleboard and basketball courts.

PARK CITY RESORT & SPA

Opening of our new "whole ownership" third phase; Replaced all of the pool umbrellas, and pool furniture; Will be replacing common area carpets in many areas of the lobby and Bear Lodge.